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25 June 2013

For Immediate Release:

San Bruno Calls for Immediate Release of CPUC Records **CPUC Internal Emails Raise Questions of Illegal Interference by CPUC in San Bruno Case**

San Francisco—San Bruno officials today demanded the release of key internal California Public Utility Commission documents relating to the CPUC's penalty decision-making process in the PG&E San Bruno explosion case following the San Francisco Chronicle's disclosure of internal emails suggesting illegal interference by CPUC Commissioners.

San Bruno also demanded that the CPUC identify the individuals, or "fairies" as the CPUC safety division director Jack Hagan has called them, who supplied the information used to come to a decision on a recommended -- and now controversial -- failure by the CPUC to fine PG&E for the Sept. 9, 2010 PG&E explosion that killed eight San Bruno residents, destroyed 38 homes and tore a hole in the center of the city.

The City has called for the information to be provided to San Bruno by close of business tomorrow, June 26 or the city will take further legal action.

Further, the City said it demanded correspondence among CPUC Commissioner Mike Florio, Executive Director Paul Clanon, and Administrative Law Judges Mark Wetzel and Amy Yip-Kikugawa. The city believes this correspondence "will show impropriety between senior management and the administrative law adjudicatory process. This clearly raises serious questions of objectivity and fairness. Under the law and basic tenets of transparency in government, San Bruno has a right to receive this email chain immediately. If the CPUC makes

a false claim of privilege in order to save face, San Bruno will file a writ of mandate demanding that the documents be produced,” the demand to the CPUC states.

“The latest revelations add to a long list of possible illegal activity at the CPUC,” said San Bruno Mayor Jim Ruane. “The integrity of the CPUC is at stake--as is the safety of every Californian. We are calling for full transparency of all communications so that we can feel confident that the CPUC is not in the pocket of the very utility company it has been tasked to regulate.”

San Bruno recently called for an investigation by the California Attorney General and the State Legislature into the re-assignment of top CPUC safety division attorneys handling the PG&E investigation who refused to sign Hagan’s \$2.25 billion penalty recommendation. Two weeks ago, all were reassigned by Frank Lindh, head of the PUC’s legal team and a former legal counsel for PG&E, after raising concerns over what one of them called Hagan’s “unlawful” proposal that was “contrary to what our team had worked to accomplish in the last two and a half years.”

The new revelations in today’s leaked emails, obtained by the San Francisco Chronicle, reveal Hagan not only threatened and intimidated CPUC attorneys – Hagan is known to carry a concealed gun and a knife into the state agency’s San Francisco office – but that he also credited anonymous individuals he called “fairies” as having supplied him with the terms of his recommendation favorable to PG&E.

San Bruno officials have said the revelations demonstrate that even highly regarded career professionals within the CPUC are fed up with the cozy relationships and conflicts of interest between the CPUC’s leadership and PG&E.

“The CPUC attorneys who refused to buckle to Hagan and his “fairies” should be considered public heroes for their refusal to follow Hagan’s orders,” said Ruane.

According to the leaked e-mails, two of the reassigned attorneys questioned Hagan about the list of PG&E expenses he had wanted to include as deductions in his \$2.25 billion recommendation. When asked who had compiled the list, Hagan had responded: “Some fairies... I don’t have to tell you. Just include the items or else.”

San Bruno officials are now demanding to know the identity of the “fairies” as a matter of public interest, saying those sources suggest possible ex-parte contact and could pose an illegal interference in the case.

“We demand to know who the “fairies” are, their identifies, and any telephone, email, or other records that shed light on who really directed Hagan’s recommendation not to fine PG&E,” Ruane said.

Other attorneys within the PUC seem to share San Bruno's concerns, revealing in emails that they believe Hagan may be operating with PG&E's interest in mind – without any concern for the victims of San Bruno demanding justice. One PUC attorney, Travis Foss wrote in an email to Lindh that Hagan "is taking a position that is antithetical to the public interest, and directly beneficial to PG&E."

San Bruno officials are demanding that the CPUC not destroy any documents or e-mails – which would violate state law – and instead make all records public immediately.

"The City of San Bruno is seeking justice for PG&E's decades of mismanagement and yet the CPUC's top staff and PG&E continue to play Russian roulette with the lives of Californians," Ruane said. "We ask for full transparency so that some semblance of integrity can be restored in this process."